

SECRET

25X1

SECRET

-2-

140896

A special Yugoslav envoy and an expert on the Hungarian Peace Treaty were sent to Hungary on a secret mission with a letter of introduction from Kardelj to Rakosi. The letter informed Rakosi of the Yugoslav plan and requested the support of the Hungarian Communist Party in persuading its Government to approve such a transfer, by either incorporating it in the peace treaty or drafting a special agreement between the two countries. An agreement was negotiated in Paris by an exchange of notes between Kardelj and Nagy. This agreement was moderated in several respects. Instead of removing the whole minority, an exchange of minorities was agreed upon, but the date of exchange was delayed considerably. The moderation of terms came as the result of the opinion, expressed by Rakosi and Professor Varga, that the support of the original plan would be detrimental to the Hungarian party and to the final aims of the Communist Party on the whole. At that time the co-ordination and collaboration of the different parties was not fully established. The Hungarian party declared that the Yugoslav plan was not approved by Moscow, thus clearly showing where the final decision lay.

4. On matters of less political importance such as border crossing and control, exchange of goods, restitution of property, visas, etc., there is no need of Moscow's approval, but no decisions made between two or more governments to further party aims can be made by the mere concurrence of agents of the respective governments. Prior approval must be obtained from Moscow.
5. In Albania the Communist party was short of Moscow-trained members and needed a competent intermediary so that officials in Moscow would not be bothered with trivial matters. They also needed engineers, doctors, etc. Although the Albanian Government, in 1946, seriously considered importing Italian advisers, Moscow chose Yugoslavia to fill the gap.
6. The repatriation program in Canada and the US, and the propaganda asking immigrants to return to Yugoslavia are designed to:
 - (a) Relieve Yugoslavia's acute shortage of skilled workers for her Five Year Plan.
 - (b) Induce the people to bring with them their holdings of foreign exchange (dollars) or agricultural and other machinery. The immigrants are encouraged to invest in such holdings prior to returning.
 - (c) To obtain intelligence information from the more "progressive elements,"

This last consideration however is of less importance than the other two, as the Yugoslavs can obtain the same information from other sources and from official statistics published by foreign countries.

-end-

SECRET

SECRET